Government of
Saskatchewan

Annual Report
1988-89

Saskatchewan Agriculture

Eighty-Fourth Annual Report
for the twelve months ending
March 31, 1989

90-03458/

Table of Contents

Letters of Transmittal i

Organization Chart ii

Administrative Services Branch 1

Agriculture Development and Diversification Secretariat 2

Agricultural Engineering 3

Communications Branch 4

Counselling and Assistance for Farmers 6

Economics Branch 7

Extension Service 9

Human Resources Branch 10

Lands Branch 11

Livestock Branch 12

Soils and Crops Branch 14

Veterinary Branch 18

Auditor's Report — Cattle Marketing Deductions Fund 20

Auditor's Report — Farm Purchase Program Fund 23

Auditor's Report — Horned Cattle Fund 26

Letters of Transmittal

Department of Agriculture

Her Honour
The Honourable Sylvia O. Fedoruk, O.C., S.O.M.
Lieutenant Governor of the Province of Saskatchewan

Your Honour:

I have the honour to submit the annual report of Saskatchewan Agriculture for the twelve months ending March 31, 1989.

Respectfully submitted,

Honourable Grant Devine, Premier
Minister of Agriculture

Report of the Deputy Minister of Agriculture

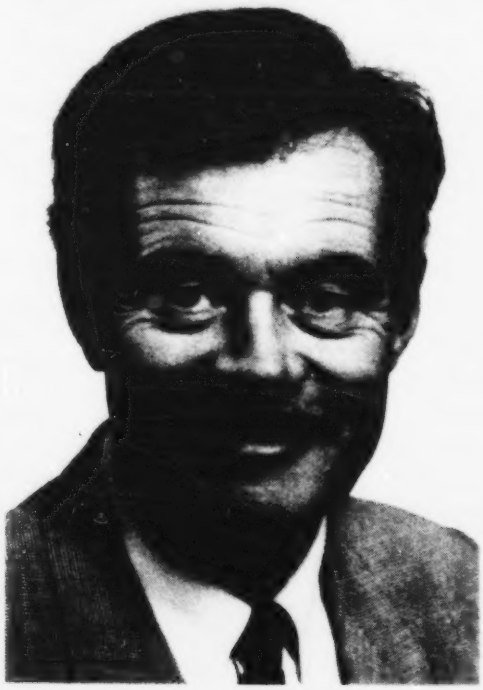
Honourable Grant Devine, Premier
Minister of Agriculture

Sir:

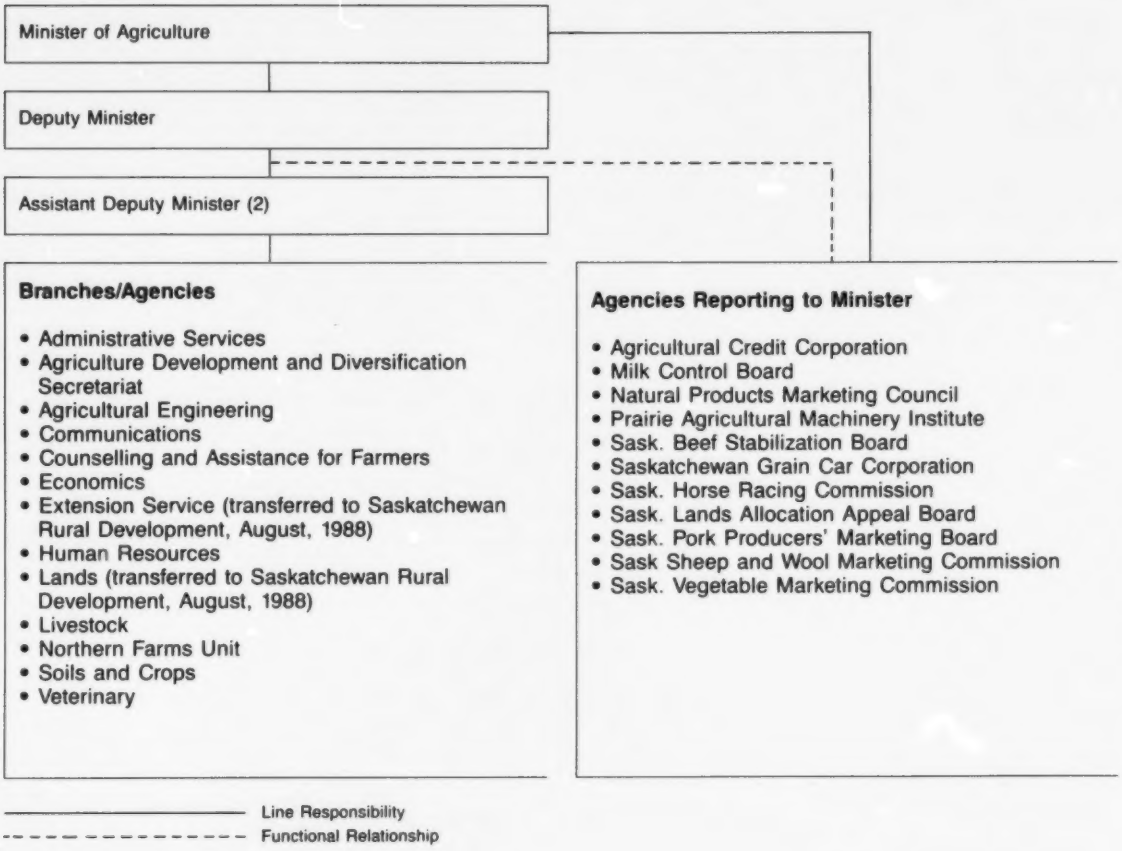
I wish to present to you the annual report of Saskatchewan Agriculture for the twelve months ending March 31, 1989.

Respectfully submitted,

Jack Drew
Deputy Minister



Organization Chart (1988-89)


Minister of Agriculture
Deputy Minister
Assistant Deputy Minister (2)
Branches/Agencies
• Administrative Services
• Agriculture Development and Diversification Secretariat
• Agricultural Engineering
• Communications
• Counselling and Assistance for Farmers
• Economics
• Extension Service (transferred to Saskatchewan Rural Development, August, 1988)
• Human Resources
• Lands (transferred to Saskatchewan Rural Development, August, 1988)
• Livestock
• Northern Farms Unit
• Soils and Crops
• Veterinary
Agencies Reporting to Minister
• Agricultural Credit Corporation
• Milk Control Board
• Natural Products Marketing Council
• Prairie Agricultural Machinery Institute
• Sask. Beef Stabilization Board
• Saskatchewan Grain Car Corporation
• Sask. Horse Racing Commission
• Sask. Lands Allocation Appeal Board
• Sask. Pork Producers' Marketing Board
• Sask Sheep and Wool Marketing Commission
• Sask. Vegetable Marketing Commission
Line Responsibility
Functional Relationship

Administrative Services Branch

The Administrative Services Branch provides department support services in budgeting, accounting, space and accommodation, equipment and supplies, mail services, vehicle management, computer management, legislation and administrative analysis.

I. Financial Services Section

The major activities of this section are departmental revenue and expenditure processing, financial management of the Conservation and Development Revolving Fund, revenue and expenditure control, and management information compilation and dissemination.

In 1988-89, the section processed more than 50,000 payment documents with above-average accuracy and low-turnaround time. Also, this section was instrumental in establishing financial procedures for Drought Assistance payments.

II. Office Services Section

In 1988-89, the section completed office renovations in the Walter Scott Building for the Farm Purchase Program, Counselling and Assistance for Farmers and the Agriculture Development Fund. New office space was provided for the livestock inspectors in Winnipeg, Manitoba. Space planning continued for the Walter Scott Building. The section worked closely with Saskatchewan Rural Development on the Rural Service Centre renovations in Moose Jaw, Weyburn, Yorkton, North Battleford and Saskatoon.

III. Systems Services Section

This section co-ordinates the development and operation of computer-based systems in the department by providing systems guidance and support.

A departmental Strategic Technology Plan was completed with several elements being implemented such as the decision-making process and the establishment of technology standards. This plan is designed to provide a framework to guide the adoption of information technologies.

The year also witnessed the transfer of the major field programs to Saskatchewan Rural Development. The section assisted the rollover of the information technologies associated with these programs.

The section placed increased emphasis on operator support services particularly in the areas of training and applications design. This was evident in the implementation of microcomputer technology in the Agriculture Development and Diversification Secretariat, desktop publishing in the Agriculture Development Fund and computer-assisted design and drafting in the Agricultural Engineering Branch.

IV. Legislative Services

This section co-ordinates the department's legislative process. Assistance is provided to other branches and agencies in the preparation of orders-in-council, regulations and drafting instructions.

In 1988-89, a major review of all department legislation was initiated.

V. Northern Farms Unit

Saskatchewan Agriculture continued to operate four farms in Northern Saskatchewan during 1988-89.

Located in the Cumberland House, Green Lake and Ile-a-la-Crosse areas, these farms occupy a total of about 22,000 acres. The farms have a total beef cow herd of about 2,000 head. Central Farm has a 100-sow farrow-to-finish swine operation. The farms create employment for about 27 people during peak seasons.

VI. Agricultural and Horticultural Societies

Responsibility for the agricultural and horticultural societies was transferred to the Minister of Rural Development on August 1, 1988. For information about the societies, please refer to the Saskatchewan Rural Development annual report for 1988-89.

VII. Farm Purchase Program

The Farm Purchase Program was implemented December 17, 1982, to assist beginning farmers and those with small- and medium-sized farms to buy farmland.

While new enrollments were discontinued as of June 17, 1987, the Program continues to administer those land purchases already enrolled.

VIII. Saskatchewan Matching Grants-in-Aid Program

This program, which complements the work of the Saskatchewan Council for International Co-operation (S.C.I.C.), provides matching grant assistance for development projects in developing countries around the world.

Agriculture Development and Diversification Secretariat

The Agriculture Development and Diversification Secretariat (ADD Secretariat) was established October 1, 1988, to help broaden the province's agri-food base.

The Secretariat's mission is to identify and pursue development and diversification opportunities in the agri-food sector.

The Secretariat identifies production, processing, financing and marketing opportunities and provides technical assistance to groups or individuals with new ideas related to the agri-food sector.

The ADD Secretariat serves as a liaison between private sector groups, other branches of Saskatchewan Agriculture, and other departments and agencies of the provincial and federal governments.

The Secretariat is available to assist companies and individuals with market research, product development and market development.

The Secretariat also actively investigates market potential and provides this information to industry.

Agricultural Engineering Branch

The Agricultural Engineering Branch was restructured August 1, 1988. The Branch provides an agricultural engineering resource for the agriculture and food industry in Saskatchewan. The Branch develops and implements policies, programs and services, and assists in the development of innovative and practical solutions to agricultural engineering problems. The mandate is carried out through a working arrangement with agricultural engineers in Saskatchewan Rural Development.

I. Program Development

Major initiatives in program development during 1988-89 were:

- The continued development of programming in the area of ventilation technology targeted toward private consultants, contractors, equipment suppliers and builders. Building component plans, manuals and computer programs were prepared or revised. Human health aspects are receiving greater consideration.
- The development of a package of engineering information on beef facilities for the Winning With Beef program.
- The development of a program to update members of the Crop Protection Institute of Canada on the latest technology for field spraying.
- The development of an updated technical seminar for the Saskatchewan Farm Builders Association on recommended building practice and technology.

II. Program Delivery

Duri:.g 1988-89, the Branch effected programs in the following areas:

- Meetings were held for farmers, suppliers and contractors to present information on wind and snow loads, livestock building ventilation, sprayer calibration, tractor traction and conservation tillage, beef cattle facilities, drying of barley for the malt industry, and farmstead planning.
- Major demonstrations of cattle-handling facilities were held on 11 farms.
- The Compressed Natural Gas (CNG) Farm Demonstration Program was continued. The main focus was on a small unit to slow-fill tanks on pickup trucks.
- The Branch participated in research and development projects dealing with algae in farm dugouts, evaluation of stress in hog barns, and the development of a passively-controlled air inlet.

III. Client Service

Client service activities during the year included:

- Consultation with producers about plans and designs for livestock facilities and livestock-building environmental control;
- Designing building retrofits;
- Designing manure-management works.

These services are in support of diversification through livestock and input cost reduction through more efficient use of facilities and equipment.

IV. Administration of Legislation, Policies and Grants

The Pollution (By Livestock) Control Act provides a framework to enable producers to locate and construct facilities to minimize the impact on the environment and their neighbours.

The Ethanol Production and Marketing Incentive Program assists in the development of a rural-based fuel ethanol industry.

V. Human Resource Management and Administration

Staff participated in development of program objectives to become more results-oriented. Staff also attended meetings, seminars, field days, shows and conferences to update themselves on technical matters and program management techniques.

Communications Branch

The objective of the Communications Branch is to disseminate information relating to programs, policies and services provided by Saskatchewan Agriculture to its various publics through a variety of methods.

The Branch is responsible for providing the many farm publics with the following:

- An understanding of various programs, policies and services of the Department.
- Technical information about all aspects of farming in order to enhance agricultural production and marketing.
- An understanding of the Government's commitment to the family farm.
- The Government's intentions to continue in a leadership role in Canadian agricultural deliberations.

The Branch assists and/or coordinates information dissemination on behalf of the Minister and the Department regarding the above responsibilities.

The operations of the Communications Branch are grouped into five sections. They are described as follows.

I. Agricultural Library

The Agricultural Library provides information services to Saskatchewan Agriculture and to the Saskatchewan Department of Rural Development.

The thrust of the reference collection and its development centres on agricultural diversification, food processing and the research of markets for food products which could use Saskatchewan products.

In 1988-89, as part of its regular service, the Library circulated more than 12,000 publications, borrowed 750 books and journal articles from other libraries, and performed 125 computer searches to find information about food companies, products and processes.

During the year, the Library also handled numerous requests from the public, including producers, producer associations, and elementary, high school and university students.

II. Publications Distribution Centre

The Publications Distribution Centre (PDC) stores and distributes publications produced by various branches of the Department and all final reports of projects funded by the Agriculture Development Fund.

In 1988-89, the PDC received 1,450 orders for 310 titles published by Saskatchewan Agriculture. In total, 280,000 copies were distributed to the public and staff.

Of all requests for publications, about 40 per cent came from Rural Service Centres established by Saskatchewan Rural Development.

III. Audio Visual Section

The Audio Visual Section provides assistance for all aspects of audio visual production within the department.

In 1988-89, the Section's services included:

- Producing computer-generated slides and overhead transparencies for use as illustrations during presentations.
- Maintaining and expanding the library of photographic slides.
- Answering requests by Saskatchewan producers. These requests involve transferring film and videotape items produced by Saskatchewan Agriculture onto video tapes submitted by Saskatchewan producers. In 1988-89, there were about 1,000 requests for duplicate tapes.
- Upgrading computer software, hardware and video-editing equipment to meet the needs of the Department.
- Initiating production of a film and videotape entitled **Bleach Treatment in Leafcutter Bees.**

IV. Media Relations Section

The Media Relations Section coordinates the preparation and distribution of information about agricultural programs, policies and services.

Various projects were undertaken during the year to create greater agricultural awareness among urban and rural audiences. Among these projects were:

- Agriculture Appreciation Week, initiated by the Saskatchewan Weekly Newspaper Association. The week focused on the importance of agriculture to Saskatchewan's economy.
- National Soil Conservation Week, held in conjunction with Agriculture Canada and other Prairie provinces' departments of agriculture. The week emphasized the importance of soil and water conservation.

The Section also continued to produce **Farm Report,** a package of feature articles about agriculture distributed weekly to the Saskatchewan newspapers, and radio and television stations.

The Department's tabloid, **AgNews,** was published monthly and distributed to all rural households in the province.

The employee newsletter, **The Insider,** was published monthly and distributed to all employees of Saskatchewan Agriculture.

V. Print Section

The Print Section advises the Department about cost-effective design and production for all Department publications. The Section coordinates the production and distribution of all publications.

The Print Section also coordinated publication production for Lands and Extension Service of Saskatchewan Rural Development., and edited and coordinated production of Extension Agrologist regional newsletters.

Counselling and Assistance for Farmers

The Counselling and Assistance for Farmers Program provides counselling and operating and/or consolidation loan guarantees to eligible farmers who have been declined operating loans from their primary lending institutions.

Farmers apply under the program and receive counselling by farmer panels who have proven production and financial management abilities. The counselling includes suggesting farm operating changes which would enhance the viability of a farm. For those operations which have the potential of being viable, the panels recommend that operating and/or consolidation loan guarantees be offered to the designated lender.

In 1988-89, lenders accepted 646 operating loan and consolidation loan guarantees totalling $43,580,000. The average guarantee was $67,461. Where applicable, the 1987 loan guarantees were extended for the 1988-89 year.

Economics Branch

The Economics Branch mission is to strengthen the primary agricultural and further processing sectors of the provincial agri-food industry through the provision of economic research, analysis and program delivery.

The Branch is organized into six functional sections, outlined as follows, and an administrative unit.

I. Agriculture Development Fund (ADF) Section

The ADF was created by the Government of Saskatchewan in the spring of 1985 to support agricultural research, development and demonstration projects in areas such as crops and forages, soils, livestock, land improvement, engineering, marketing, new product development and the further processing of agricultural commodities.

The ADF Section was established to coordinate and administer projects under the Agriculture Development Fund and the federal/provincial Economic and Regional Development Agreement (ERDA).

During 1988-89, the Section funded about 125 new research and development projects and 140 demonstration projects while continuing to provide administrative services for longer-term projects initiated in previous years.

The Section was instrumental in coordinating and further refining the Strategic Funding Agreement undertaken with the University of Saskatchewan in 1987-88.

The Section helped to coordinate research in the agri-food sector during the past year. Two key undertakings included the design and implementation of a computerized database for all agricultural research conducted in the province, and the restructuring of the Saskatchewan Agricultural Services Coordinating Committee (SASCC) to further enhance the coordination of research and extension activities.

II. Farm Management Section

In February, 1989, the Farm Management Section coordinated the design and implementation of Western Canada's first Marketing Challenges Conference which included experts from primary agriculture, and the further processing and food marketing sectors.

During 1988-89, the Section's activities were as follows:

- Continued the development of course content and training material for both instructor and participant components of the Farming To Win program. A number of new initiatives were implemented as part of the Farming To Win program, including delivery of the Year 1 program using satellite technology, development of a revised marketing management curriculum, and assisting with the development of a pilot project for 4-H youth training in northeastern Saskatchewan.
- Maintained and revised a list of 40 publications and 50 fact sheets containing relevant farm business management information and data for Saskatchewan. New publications introduced in 1988-89 were **Pasture Lease Agreements, Guide to Special Crops Contracts, Oats Marketing, Farm Fuel Rebate Programs,** and **Farm Machinery Custom and Rental Rates.**
- Provided analysis and supported the development of several policy issues for the Department in cooperation with other Branch and Department staff. These policy issues included income tax changes and the multi-stage federal sales tax, and the effects of these changes on farmers and programs; fluid milk pricing; disaster relief mechanisms and programs; farm finance and venture capital alternatives.
- Provided assistance in the implementation of the Top Management Program and analyzed the resulting cost of production data from the farms sampled.
- Designed and implemented a new financial management training program for clients of the farm debt review systems and the Counselling and Assistance for Farmers (CAFF) Program.
- Taught courses about income tax changes, land leasing, and accounting.
- Provided training sessions to extension staff and instructors on Year 1 and 2 Farming To Win core materials and assisted in organizing and delivering training on marketing and adult education.
- Jointly organized with the Saskatchewan Association of Chartered Accountants the first series of Accountants and Lawyers Conferences at five locations in the province.
- Jointly organized with three computer software companies the first Saskatchewan Agriculture Computer Conference.
- Developed Saskatchewan's proposal for a federal/provincial agreement on farm management training, and negotiated its implementation with Agriculture Canada and Employment and Immigration Canada.

III. Market Analysis Section

In 1988-89, the Market Analysis Section provided the following range of services:

- Designed policy options relating to tripartite stabilization and the provision of administrative support for agricultural stabilization programs in Saskatchewan.
- Monitored and analyzed issues and opportunities in international trade as they impacted on the provincial agri-food sector.

- Further developed agricultural economic forecast services.
- Maintained an ongoing commodity outlook program which included the Crop Prospects 1989 Conference. This conference was developed in cooperation with the University of Saskatchewan's Department of Agricultural Economics and Division of Extension and Community Relations.
- Helped to analyze the effect of regional and federal/provincial programs upon the agricultural community, and helped to design economic policy options and alternatives to meet the needs of the agricultural community in 1988-89.

IV. Research Section

The Research Section provided the Branch with research, legislative design and administrative services in three key areas throughout 1988-89.

- The Section provided staff support to the Natural Products Marketing Council, supervised the operations and activities of marketing agencies established under **The Natural Products Marketing Act** and provided advice to the Department on issues related to the marketing of natural products.

The Section also assisted the Council in overseeing the establishment of the Saskatchewan Vegetable Marketing and Development Board.

- Section personnel were involved in the development and drafting of **The Farm Finance Act** and **The Saskatchewan Farm Security Act.**
- The Section analyzed agricultural policies and programs and coordinated the development of new initatives in farm finance, marketing and development.

V. Statistics Section

The Statistics Section collects, analyzes, interprets and disseminates agricultural statistics for the Province of Saskatchewan. In 1988-89, the Section also reponded to several hundred requests for information about various legal, social and economic factors which impacted upon the rural economy.

Specific activities undertaken in the last fiscal year are as follows:

- Publication of the annual statistics handbook, two editions of the statistical fact sheet, the monthly and annual **Cattle Marketing Reports,** weekly **Market Trends** and weekly **Precipitation Summaries.**
- Collection and publication of information about crop conditions throughout the province on a weekly basis from April through October.
- Maintained the Special Crop Information Program.
- Administered the Saskatchewan Feed Grain and Forage Listing Service.
- Established cooperative working relationships with national agencies such as Statistics Canada and Agriculture Canada for surveys and farm income forecasts.
- Coordinated through the University of Saskatchewan a Farm Input Price Survey which provides per unit prices for more than 30 farm inputs in 25 Saskatchewan communities.

VI. Livestock Tax Credit Section

The Livestock Tax Credit Section is responsible for the implementation and administration of the Livestock Investment Tax Credit, the Livestock Facilities Tax Credit and the Feeder Associations Loan Guarantee programs.

- Introduced in 1984, the Livestock Tax Credit Program provided a tax credit on a per head basis for feeder cattle, hogs and lambs sold for slaughter. About $10.1 million in tax credits was issued to 6,018 applicants during the fiscal year. More than $29 million in tax credits has been issued since the program began.
- The Livestock Facilities Tax Credit Program, introduced in January, 1986, provided a 15 per cent tax credit on the cost of constructing new livestock facilities and renovating existing facilities. About $2.7 million in tax credits were issued to almost 2,000 applicants during the fiscal year. More than $5.8 million in tax credits have been issued since this program was introduced.
- The Feeder Associations Loan Guarantee Program, implemented in July, 1984, provides guarantees to financial institutions on loans made to members of feeder associations for the purchase of feeder cattle. During 1988-89, 14 new feeder associations were formed. As of March 31, 1989, there was a total of 58 associations in existence with 1,700 members. Total guarantees of $13,481,250 were provided on $53,925,000 in authorized loans. Numerous information meetings were held with producer groups interested in forming feeder associations.

Extension Service

Extension Service was transferred to Saskatchewan Rural Development on August 1, 1988. Refer to the 1988-89 Annual Report of Saskatchewan Rural Development.

Human Resources Branch

The Human Resources Branch provides the Saskatchewan Department of Agriculture and Extension Service and Lands Branch of the Saskatchewan Department of Rural Development with staffing, classification, staff relations, benefits administration, training and staff development.

I. Administration

Human Resources Branch constantly strives to improve personnel services and to streamline personnel administration. The Branch continues to coordinate the Employment Fairness Program and has restructured the Employment Fairness Program Committee to increase participation. The Branch also remains active on government human resource committees and is involved with the Automated Leave and Attendance Systems Committee.

The Branch also adopted an automated attendance system that will operate until the service-wide system is available.

The United Way campaign within the Department was coordinated by the Branch.

II. Staffing

During the year, the staffing unit coordinated 70 competitions for permanent positions, and assisted management in recruiting casual, temporary and labour service employees to meet program needs. In all, the Branch performed 566 staffing actions.

III. Classification

A total of 80 requests for classification action were reviewed by the Branch and recommendations were made and forwarded to the Public Service Commission for final determination. Classification was also completed on three labour service positions. The Branch continues to update the Department's position files.

IV. Staff Relations

The Branch continues to work closely with the Public Service Commission in the areas of collective bargaining and staff relations. The Branch was involved in one arbitration board and handled a number of grievances. Branch staff remained active within the personnel community.

V. Training and Development

Training and development remains a high priority in the Department. The Branch coordinated the development of a Strategic Training Plan for the Department and then liaised with the Public Service Commission for its inclusion in the government-wide Strategic Training Plan. As well, the Department purchased 207 courses from the Public Service Commission for special skills development of employees. In addition, a number of in-house training courses were coordinated or conducted. The Branch plays an active role in the Department's Word Processing Users' Committee.

The Branch provides orientation for new staff members which includes the presentation of a video tape about the functions of Government of Saskatchewan.

VI. Payroll

The Branch continues to provide full payroll administration for Saskatchewan Agriculture and the Departments of Urban Affairs, Rural Development, and Environment and Public Safety.

Lands Branch

The Lands Branch was transferred to Saskatchewan Rural Development effective August 1, 1988. For a detailed report, consult the 1988-89 Annual Report of Saskatchewan Rural Development.

Livestock Branch

The Livestock Branch develops programs and policies and administers regulations to encourage a viable, competitive livestock and livestock-products industry in the province.

I. Livestock Inspection

The objective of the Livestock Inspection Program is to protect ownership of livestock and to ensure that those who are selling livestock have the right to sell. As well, the Branch provided audit services for agencies and programs such as the Agricultural Credit Corporation of Saskatchewan, Beef Stabilization and the Canada-Saskatchewan Livestock Drought Assistance Program. Staff was also active in promoting beef animal identification at a number of field days, fairs, and exhibitions including the Canadian Western Agribition.

Activities for the year included:

Inspections	1,250,000 head
Manifests processed	312,500
Livestock returned to owner	1,446 head
Estimated value of cattle returned	$1,000,000
Withheld settlements	2,190 head
Estimated value of cattle withheld	$900,000
Registered brands on file	35,000
Livestock dealer licenses	740
Game farm licenses	62

II. Livestock Development Unit

The Unit helped to organize and plan the system used to print eartags and keep records of animals under the game farming regulations.

The Livestock Development Program analyst was significantly involved in the development of the marginal analysis computer program used in the Winning With Beef project. A similar program is being developed in cooperation with the Pork Unit.

The unit assisted in the development of **The Game Farming and Game Products Merchandising Regulations** under **The Animal Products Act**. This involved working with game farmers, the Wildlife Branch of the Saskatchewan Department of Parks, Recreation and Culture, and other members of the Livestock Branch.

Staff were involved with planning and participation in rabbit, horse and game farm industry development seminars.

Time was spent analyzing other livestock industries in the province with the goal of identifying possible opportunities. Some extension publications for use by the other livestock industries were developed during the year.

The Livestock Development Program analyst worked with the Livestock Agrologists to determine future requirements of the Winning With Beef program.

The Livestock Development Unit was added to the Beef Unit on March 1, 1989.

III. Beef Unit

Beef Unit activities in 1988-89 were as follows:

- Assisted in the development and management of the 1988 drought program for livestock.
- Worked with Livestock Agrologists, Economics Branch and private consultants to develop and construct the Winning With Beef program. A total of 19 groups and 180 producers enrolled in the course. The course examined financial, production and marketing techniques for producers.
- Worked on special beef herd management projects in cooperation with other departments, branches and organizations. Among these projects were Crescent Pasture (Extension Service, Saskatchewan Rural Development), Beef Upgrading Management and Beef Production Management (Veterinary Branch), and Beef Reproductive Efficiency Database and Record of Performance (Saskatchewan Livestock Association).
- Cooperated with the Saskatchewan Livestock Association in sponsoring the seventh-annual beef seminar called What's In Stock For You? About 175 producers and industry representatives attended.
- Developed a communications system among all institutions teaching beef management courses so as to avoid duplication of services.
- Identified participants in the beef industry and implemented communications with processors, producer groups and marketing groups.
- Continued to develop the use of ultrasonics as a method of measuring carcass traits of live animals so that producers are provided with more information about the animals they are producing.
- Involved in initiatives to expand beef production from the primary producer to the retailer.

IV. Dairy Unit

The Milk-Quality Assurance Program was modified to provide earlier indication of potential milk quality problems to dairy producers. This modification along with the routine analysis of approximately 12,000 milk samples and joint government/industry milk quality extension enabled Saskatchewan dairy producers to achieve their best average annual milk quality record.

The Dairy Unit conducted 450,000 test results on 150,000 milk samples under contract for the Saskatchewan Dairy Herd Improvement Corporation, which delivers milk recording programs in the province.

The Unit also analyzed 41,000 milk samples under contract for the Saskatchewan Milk Control Board's producer payment system.

The Unit participated with Agriculture Canada inspection staff in the annual inspection of all milk processing plants in the province.

New milk analysis instruments were purchased for the dairy programs in December, 1988.

V. Pork Industry Unit

Pork production increased in 1988-89. More than one million hogs were marketed in 1988; this represents an increase of 26 per cent from 1987.

The Pork Unit and Livestock Branch worked with several groups in the planning and development of large-scale commercial production and breeding-stock production units.

As a direct follow-up to a Livestock Branch lead seminar in 1987, the Saskatchewan Pork Producers Marketing Board organized two industry planning seminars during the year. The Livestock Branch actively participated in these seminars.

A mail survey of producers and a compilation of computer records were undertaken to create an accurate database of swine herd productivity in the province.

Computer models for the evaluation of production costs were refined and made available to the industry.

Pork producers were provided with access to information and technology at the annual Swine Symposium, Swine Design Trade Show, and the Technology Transfer Program funded by the Economic and Regional Development Agreement and the Saskatchewan Agriculture Development Fund, and jointly managed by the Livestock Branch and the Saskatchewan Pork Producers Marketing Board.

Negotiations were held with the Saskatchewan Swine Breeders Association regarding the transfer of the Record of Production (ROP) Swine Home Testing Program to the association's control. The transfer is expected to be completed in 1989.

Soils and Crops Branch

Soils and Crops Branch specialists are responsible for programs which promote field, forage, horticulture, honey and wild rice crops, soil conservation, and the use, handling and storage of pesticides.

Specialists also work in an advisory role to government and industry on a wide range of disciplines related to crop production, crop protection, soil conservation and pesticide regulation.

I. Crop Producton Section

Cereal Crops

Publications:

The following publications were printed and distributed in the 1988 - 89 year:
Varieties of Grain Crops for Saskatchewan 1989
Hulless Barley Production
Milling and Race Horse (Pony) Oat Production
Durum Production
Interpreting Cultivar Grain Yield Potential

Numerous titles about current issues were released through **Farm Report** issued by Communications Branch.

Administration:

The cereal crops specialist represented the Department by:

- Reviewing Agriculture Development Fund project applications and reports;
- Taking an active role on the Research Advisory Committee to the Saskatchewan Irrigation Development Centre;
- Participating in the South Saskatchewan River Basin Study;
- Serving on the advisory committee to the Agriculture Canada Research Station at Swift Current;
- Providing consultative services to visiting delegates from Australia and the Jilin province of China;
- Interacting with Saskatchewan Rural Development and the Agriculture Development and Diversification Secretariat; and,
- Cooperating with the Saskatchewan Department of Justice to solve agriculture-related problems.

Oilseed Crops

In 1988-89, the oilseed specialist provided a variety of specific services to producer organizations involved in the production and promotion of oilseeds in Saskatchewan.

a) Saskatchewan Canola Growers' Association
   - Attended the association's board meetings
   - Helped to plan tours, demonstrations and extension meetings.

b) Canola Council of Canada
   - As a member of the Crop Production Committee, the specialist helped to manage the Grow With Canola Program.
   - Participated in the review of proposals for agronomic research and in the development of a list of priorities for future agronomic research.
   - Made plans for Canola Productivity Centres.

c) Western Flax Growers' Association
   - Worked with the directors of the association to plan and to provide resources at extension meetings.

d) Flax Council of Canada
   - Served as a member of the Research and Technical Committee. The Committee sets research priorities and awards proposals for research.

e) Saskatchewan Sunflower Committee
   - Served as secretary and director of the Board.
   - Helped to administer the variety trials and to recommend varieties for production in Saskatchewan.

f) Canadian Mustard Association
   - Worked in conjunction with the Association to plan for revisions to the **Mustard Production Manual.**

g) SeCan
   - Represents Saskatchewan Agriculture on the Board. (SeCan multiplies and distributes new varieties of cereals, oilseeds and forages.)

Special Crops

The special crops agronomist provides agronomic information and technical assistance to growers of field pea, lentil, fababean, canaryseed and safflower.

Activities

- The agronomist gave presentations at several producer meetings and field days throughout Saskatchewan.
- Attended two Saskatchewan Pulse Crop Development Board field tours.
- Crop Market Prospects '89.

- Learn All About Field Pea Production satellite presentation.

Publications

- **Special Crops Market Synopsis 1989.**
- **Special Crops Marketing and Contracting Companies, 1989.**
- **So You've Decided to Grow Pea or Lentil, 1989**
- Contributed to the Saskatchewan Pulse Crop Development Board newsletter, a newsletter directed to pea and lentil growers.

Administrative Involvement

- Advisor to the Saskatchewan Pulse Crop Development Board.
- Chairperson of the Saskatchewan Corn Committee.

Soils

Policy and Program Development

A major effort was devoted to the development of a proposed Canada-Saskatchewan Soil Conservation Program. Included in these activities was the development of an Accord on Soil and Water Conservation and Development, an Agreement on Soil Conservation and a Workplan for Soil Conservation in conjunction with federal agriculture officials from the Prairie Farm Rehabilitation Administration (PFRA).

Publications

Many soils-related bulletins were distributed through the government. The supply of these bulletins was maintained by updating and printing the following:

- **Fertilizer Application in Conservation Tillage Programs**
- **Phosphorus Recommendations**
- **Potassium Recommendations**
- **Sulfur Recommendations**
- **Tillages Practices That Reduce Erosion**

New publications printed through the Save Our Soils Program were:

- **Stripfarming for Wind Erosion Control**
- **Emergency Wind Erosion Control**
- **Seeding Equipment for Soil Conservation**

Extension Meetings

The soils specialist participated in a number of farm meetings organized by the Extension Service of Saskatchewan Rural Development. Soil conservation was the topic most frequently addressed.

II. Crop Protection Section

Weed Control

The weed control specialist is responsible for providing technical information about weed control in Saskatchewan to the Extension Service of Saskatchewan Rural Development, producers, agribusiness and other related industries.

During the year, 400 weed samples were submitted to the Crop Protection Laboratory and were identified.

The specialist coordinated the revision of a publication entitled **Chemical Weed Control in Cereal, Oilseed, Pulse and Forage Crops.** Titles of new publications were: **Control of Canada Thistle, The Weed Control Decision: To Spray or Not to Spray.**

Pest Control

a) Insect Control

During the summer months, insect surveys were conducted for wheat midge, diamondback moth, grasshoppers, Russian wheat aphid, armyworms and cutworms. The information obtained from these surveys assisted in predicting insect outbreaks and allowed for timely and effective use of insecticides.

In 1988-89, publications produced for distribution were the **Grasshopper Forecast**, the **Wheat Midge leaflet, Insect Control in Field Crops** and the **Crop Protection Newsletter.**

In addition, a film was produced and released about the biology and control of the Pale Western Cutworm. This film was transferred to video tape to allow for broader distribution.

The Crop Protection Laboratory identified 225 insect specimens and provided control recommendations. Numerous other requests were received directly by telephone.

b) Pesticide Legislation

Saskatchewan Agriculture encourages safe use of pesticides through all pesticide publications and regulates the activities of applicators under the authority of **The Pest Control Products (Saskatchewan) Act and Regulations.** About 1,100 commercial pesticide applicators are licensed in Saskatchewan.

The Department is currently reviewing several amendments to **The Regulations of the Pest Control Products (Saskatchewan) Act,** as recommended by Agriculture Canada and the Canadian Association of Pesticide Control Officials (CAPCO).

Plant Disease

Seven hundred plant samples were received in the Crop Protection Laboratory for disease diagnosis.

Technical support was provided for provincial surveys on Dutch Elm Disease and Verticillium Wilt of Alfalfa.

The annual publication about chemical seed treatments was revised and several factsheets about crop development were produced.

III. Horticultural Services

The horticultural specialists provide technical and extension information to extension services and commercial producers of fruit, vegetables, mushrooms, nursery stock, turf, and some herb and greenhouse crops. They also provide information and recommendations to horticulture societies and the public at large.

In 1988-89, a publication entitled **Landscaping for Rural Homes** was produced and distributed.

The fruit and vegetable specialist was involved with a tour of the Nova Scotia blueberry industry in an effort to manage native blueberry stands in Northern Saskatchewan.

Four processing and packaging seminars were organized to provide information to producers interested in cottage processing of a variety of fruits.

Other activities during the year included the following:

- Secretarial and/or committee efforts for SaskHort Trade Show and Convention, Saskatchewan Advisory Council for Horticulture, Western Canadian Society for Horticulture and Prairie Potato Council.
- Supervision and record keeping, in cooperation with Agriculture Canada, of demonstration fruit and ornamental plots at Indian Head.
- The greenhouse and ornamentals specialist attended a Minnesota conference about commercial field production of cut and dried flowers, and instructed two seminars during Hort Week in Saskatoon. Several other short courses were given at various locations throughout the year.

IV. Apiary Section

Honey Bees

On December 31, 1987, Agriculture Canada closed the Canada-U.S.A. border to any further importations of live bees from the United States. This was done because of the discovery and spread of the varroa mite in the United States.

As a consequence of this action, package bees were not imported from the U.S.A. About 4,000 packages of bees and about 10,000 to 15,000 queens were imported from Australia and New Zealand. Some beekeepers chose not to purchase packages and did not operate during 1988.

Although the number of producing colonies in Saskatchewan declined to about 100,000, honey production reached record levels with a total crop of about 24.5 million pounds.

Tracheal mite sampling was continued during 1988. In a provincial survey, about 1,200 samples were collected from 96 commercial beekeepers across Saskatchewan. As well, the delimiting survey was repeated in the Nipawin area and, consequently, five new tracheal mite infestations were found. Regulatory action in the form of quarantine and destruction of about 900 infected colonies was conducted. Compensation for colonies ordered destroyed was again provided to a maximum of 70 per cent or $35 per replacement colony.

Saskatchewan participated in a National Varroa Survey in collaboration with Agriculture Canada. About 1,200 colonies were sampled randomly across the province. Varroa mites were not discovered in Saskatchewan or in Canada in 1988.

The tracheal mite project, conducted at LaRonge was discontinued.

The provincial apiculturist represented Saskatchewan Agriculture at two national honey industry meetings held in Ottawa to discuss border closure and the National Varroa Survey.

Leafcutter Bees

Leafcutter bees were released two to three weeks earlier than the normal July 1 release date. In some regions, they were moved from early-set fields onto second-cut hay fields. This resulted in more seed set and bee multiplication.

Lygus bug and alfalfa plant bug both completed a previously unheard of second generation in Northern Saskatchewan. Early bud blast by alfalfa plant bug was extensive. Drought was a limiting factor in West-central and Southwestern Saskatchewan, and in local areas in northern regions.

Leafcutter bee multiplication in 1988 was reported to be two-to-threefold. Bee prices were in the half-cent range. Most were sold into the United States.

Chalkbrood was found in two Saskatchewan leafcutter bee populations in 1988 at levels of .05 per cent and 0.1 per cent. Parasitism levels, caused by chalcid wasps such as **Pteromalus venustus,** averaged a percentage point higher than usual.

About 24,000 acres were inspected for pedigreed alfalfa seed production in 1988. In addition, about 20,000 acres of common seed were produced. Seed

yields averaged about 300 pounds an acre in most regions. Prices dropped to below $1 per pound for common seed and certified seed of public varieties. A large carry-over of seed is evident at the beginning of the 1989 production year.

The quarterly newsletter **Alfalfa Seed News,** produced by Saskatchewan Agriculture, was initiated in February, 1988, for Saskatchewan alfalfa seedgrowers.

Several insect identification and sampling days were held around the province in early June. Insect sampling was continued throughout the summer in several locations in order to keep track of insect pest populations. Shelter design and nesting material comparisons were conducted during the summer of 1988 by the apiculture specialist. A pesticide trial for control of second generation lygus and alfalfa plant bug was run in August. The Alfalfa Seed Producers' Association, with funding from the Agriculture Development Fund, conducted studies on foliar mold control in leafcutter bees, weed control and soil fertility for seed production.

ADF also supported a study of the forage seed market through Saskatchewan Agriculture.

The apiculture specialist made presentations at the Canadian and American Seed Schools in January, 1989, and made several presentations at local seed grower meetings across the Western provinces in the winter of 1988-89.

V. Wild Rice

The total production of wild rice for the crop year 1988 was 1,836,443 pounds compared to 1,214,080 pounds in 1987.

Production was reported by 203 producers in 1988 compared to 173 producers in 1987.

Two brochures, **Harvest Wild Rice in Northern Saskatchewan** and **The Economics of Wild Rice Farming in Northern Saskatchewan,** were revised and 3,000 copies of each were printed.

Research Program

The final report of the three-year comprehensive research program which ended on March 31, 1989, was submitted to the Agriculture Development Fund and copies were made available to the Saskatchewan Wild Rice Council. A one-year extension was approved by the ADF. This will allow researchers from the Departments of Crop Science and Plant Ecology and Agricultural Engineering at the University of Saskatchewan, to continue studies in 1989. Research priorities for this year's studies are for harvester improvement, sediment chemistry with emphasis on redox-potential (Eh) and pollination development.

VI. Potato Lake Horticulture Research Project

The six-acre research project, located 10 kilometres south of LaRonge was again used to continue studies on northern horticulture. The major studies carried out included micro-environment modification trials, raised-bed trials, soil improvement trials and cultivar testing of common vegetables. A brochure which contains recommendations of vegetables and specific varieties that could be successfully grown in Northern Saskatchewan is being developed.

Veterinary Branch

The Veterinary Branch mission is to promote animal health through veterinary service and advice.

I. Veterinary Diagnostic Laboratory — Regina

The Veterinary Diagnostic Laboratory in Regina receives a variety of specimens for examination. These specimens include:

- Whole animals for diagnosis of cause of death.
- Pieces of tissue, both fresh and formalized, for histopathology, culture of bacteria and fungi, and identification of viruses.
- Toxicology samples to help diagnose poisonings.
- Bateriology on all types of samples including
  a) culture and sensitivity
     i) pathology specimens
     ii) fecal samples
     iii) milk samples
  b) salmonella checks for poultry hatcheries.
- Blood serum for clinical chemistry.
- Blood samples for hematology.
- Parasitology samples.

The Laboratory provides cytological examinations of body fluids and exudate to aid in disease diagnosis. The lab also provides services to identify or confirm the existence of tumors in animals so as to help clinicians evaluate the prognosis of cancer.

Pathologists examine submissions, determine the tests required and coordinate tests and autopsy results to provide a diagnosis for veterinarians and their clients. Pathologists also provide consultation to veterinarians, all sectors of the agricultural industry and animal owners.

II. Veterinary Diagnostic Services — Saskatoon

In return for a yearly grant from the Saskatchewan Department of Agriculture, the Western College of Veterinary Medicine (WCVM) at the University of Saskatchewan in Saskatoon provides veterinary diagnostic laboratory services for veterinarians, livestock producers and owners of companion animals.

Virology and toxicology diagnostic services at the WCVM complement both Regina and WVCM pathology laboratories.

III. Meat Inspection Program

The **Diseases of Animals Act** allows for the domestic meat inspection program to provide inspection to 10 abattoirs. Meat products from these plants are eligible for public sale within Saskatchewan's boundaries. This program assures consumers of a supply of safe, wholesome meat and meat products.

Agriculture Canada is contracted to provide the inspection. The abattoirs pay 17 per cent of the cost.

IV. Swine Herd Health Policy

The Swine Herd Health Policy assists Saskatchewan pork producers to obtain animal health and management programs delivered to their farms by their own veterinarians. The policy provides financial assistance to pay the costs of veterinary visits to the participating farms. Veterinarians are paid a decreasing portion of the fees during the four-year program.

The enrolled producers were entered into a database which will provide better administration of the policy. As of March 31, 1989, there were 260 production units enrolled. New farms are accepted into the program as other farms reach the end of their support. The administration of this policy is carried out by the Pork Unit within the Livestock Branch. This cooperative approach allows close contact with the pork industry.

V. Beef Production Management Project

The Beef Production Management Project is a producer-veterinarian team approach to cow/calf management. With the assistance of Saskatchewan Agriculture, beef producers are encouraged to use the management, diagnostic and advisory services of veterinarians to improve the profitability and productivity of their individual operations. The project has been designed to promote the keeping of organized records which are analyzed and evaluated with the help of veterinarians and other experts from the beef industry.

VI. Saskatchewan Society for the Prevention of Cruelty to Animals (SSPCA)

Consultation with the SSPCA has resulted in a three-year project to provide a new approach to animal welfare. A Farm Animal Welfare Committee will provide advice to the SSPCA Board regarding administration of an investigative unit and educational programming. The new committee will include producer representation. Livestock owners will be more responsible for the regulation of animal welfare extension services and policing.

VII. Industry and Inter-Branch Committees

The Veterinary Branch is involved with the following organizations:

- The Saskatchewan Agriculture Development Fund

Research, development and demonstration projects relating to livestock are reviewed and recommendations are made regarding funding. All projects underway are evaluated and consultations are made as required.

- Food and Agriculture Emergency Response System (FAERS)

Provincial and federal representatives are developing an emergency response system to provide for critical agriculture requirements in the event of a major emergency or disaster.

- Foreign Animal Disease Eradication System

Provincial and federal representatives provide an emergency response manual and plan of action to eliminate a reportable disease if it is detected in Saskatchewan.

- Advisory Council to the Western College of Veterinary Medicine (WCVM)

This Council analyzes educational programs, funding and enrolment at the WCVM. The Council is Western Canadian in scope.

- Disease Investigation Project

The WCVM provides veterinary advisors who investigate difficult disease and production problems at the request of private practitioners. Some disease and production problems which occur in livestock operations are difficult to solve and may have economic implications to the producer, the producer's district, and the trading status of the province.

The Veterinary Branch receives requests on unusual disease problems from the public and this provides a working arrangement for the Branch to investigate these problems.

- Rabies

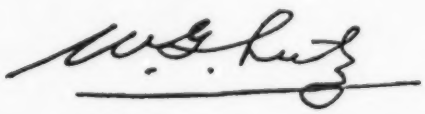
Skunk control has been instituted by rural municipalities and towns in Saskatchewan. If a case of rabies is identified, every skunk within a one-mile radius of the confirmed case is eradicated. Reported rabies incidents are down significantly.

Cattle Marketing Deductions Fund

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of receipts and payments of the Cattle Marketing Deductions Fund for the year ended March 31, 1989. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the statement of receipts and payments presents fairly the cash position of the fund as at March 31, 1989 and its receipts and payments for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
July 11, 1989

W.G. Lutz, F.C.A.,
Provincial Auditor.

Cattle Marketing Deductions Fund

Statement of Receipts and Payments

Year Ended March 31, 1989
(with comparative figures at March 31, 1988)

	1989	1988
Receipts		
Collections under Sections 3 and 4 of The Cattle Marketing Deductions Act and Regulations	$1,053,146	$968,989
Less: Commissions on collections	31,206	29,636
	1,021,940	939,353
Bank and investment interest	80,110	52,408
Total receipts	$1,102,050	$991,761
Payments		
Grants (Schedule 1)	$ 741,256	$ 686,131
Advisory Committee expenses	2,915	2,272
Refund of deductions	21,295	13,952
Total Payments	765,466	702,355
Excess of receipts over payments	336,584	289,406
Total cash and investments, beginning of year	805,696	516,290
Total cash and investments, end of year	$1,142,280	$805,696

(See accompanying notes to the financial statements)

Notes to Financial Statement

March 31, 1989

1. Accounting Policy

(a) These financial statements are prepared on a cash basis, whereby revenues are recorded as collected and expenditures are charged to the accounts as payments are made. Accordingly, the financial position of the fund at March 31, 1989, does not include accounts receivable of $250,021 (1988 - $188,389), accrued interest receivable of $5,430 (1988 - $148), commissions payable of $7,501 (1988 - $5,652),, and accounts payable of $0 (1988 - $27).

(b) The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture.

2. Legislative Authority

(a) Pursuant to the provisions of The Cattle Marketing Voluntary Deductions Amendment Act, 1983 proclaimed into force August 29, 1983, the Cattle Marketing Voluntary Deductions Act Trust Fund was continued as the Cattle Marketing Deductions Fund and the assets and liabilities of the Cattle Marketing Voluntary Deductions Act Trust Fund were deemed to be the assets and liabilities of the Fund.

(b) The Fund is administered by an Advisory Committee established under the Act who authorize all expenditures from the Fund subject to the approval of the Minister of Agriculture.

Cattle Marketing Deductions Fund

Schedule 1

Schedule of Grants

Year Ended March 31, 1989

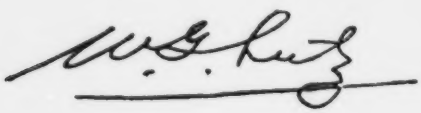
	1989	1988
Canadian Cattlemen's Association:		
Operating Expenses	$ 88,354	$ 81,811
National Beef Information Centre	96,750	87,000
National Advertising Campaign	415,750	257,250
	600,854	426,061
Veterinary Infectious Disease Organization	75,000	75,000
Saskatchewan Feed Testing Lab	—	65,000
University of Saskatchewan — Animal & Poultry Science	—	50,000
Saskatchewan Division — Beef Information Centre	40,000	25,000
Saskatchewan Livestock Association	—	15,000
Dr. Andrew Schmitz	1,000	14,000
Saskatchewan Cattle Feeders' Association	8,402	7,220
Saskatchewan Feed Grain Users Association	5,000	5,000
Saskatchewan Stock Growers' Association — Saskatchewan Beef Information Centre	—	3,500
Saskatchewan Agricultural Hall of Fame	—	350
Western Cow/Calf Producers' Association	6,000	—
Mankota Stockmen's Weigh Co. Ltd.	5,000	—
	$ 741,256	$ 686,131

Farm Purchase Program Fund

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of receipts and payments of the Farm Purchase Program Fund for the year ended March 31, 1989. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the statement of receipts and payments presents fairly the cash position of the fund as at March 31, 1989 and its receipts and payments for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
July 12, 1989

W.G. Lutz, F.C.A.,
Provincial Auditor.

Farm Purchase Program Fund

Statement of Receipts and Payments

Year Ended March 31, 1989

	1989	1988
Receipts		
Appropriation — Heritage Fund — Agricultural Divison (Note 1)	$10,664,986	$8,585,999
Lease Payments	7,835,627	9,626,317
Penalties	566,069	841,471
Interest on Loans	469,693	449,793
Interest on Investments	525,050	186,898
Total receipts	20,061,425	19,690,478
Payments		
Interest (Note 1)	20,008,042	19,972,465
Advertising	53,388	68,830
Total Payments	20,061,430	20,041,295
Excess of receipts over payments (payments over receipts)	(5)	(350,817)
Cash, beginning of year	5	350,822
Cash, end of year	$ —	$ 5

(See accompanying notes to the financial statements)

Notes to Financial Statements

March 31, 1989

1. Legislative Authority

The Farm Purchase Program Fund was established April 1, 1983, pursuant to The Farm Purchase Program Act, which was assented to December 17, 1982.

(a) Receipts

Pursuant to Section 8(2) of this Act, the following receipts were placed to the credit of the fund:

(i) lease payments on land formerly held by the Saskatchewan Land Bank Commission;

(ii) penalties on arrears of lease payments;

(iii) interest payments on loans for improvements made pursuant to Section 22 of The Land Bank Act;

(iv) penalties on arrears of interest payments;

(v) interest earned on deposits or investments;

(vi) sums appropriated by the Legislature for the purposes of the fund;

(vii) advances from the Consolidated Fund.

(b) Payments

Pursuant to Section 8(3) of this Act, payments were made out of the fund for interest costs on debt incurred by the former Saskatchewan Land Bank Commission. These payments were made to the Consolidated Fund.

2. Accounting Policies

(a) These financial statements are prepared using a modified cash basis for a fiscal year commencing on April 1 and ending March 31. Receipts are recorded as received and payments are charged to the accounts when payments are made. In addition, receipts received in the 30 days of April, in respect of revenues raised up to March 31 of the preceding fiscal year, and payments made during the 30 days of April which are for goods and services received in the preceding fiscal year are reported as receipts and payments of the preceding fiscal year. Accordingly, the financial position of the fund at March 31, 1989 does not include the following items:

(i) amount due from Department of Rural Development — Lands Branch — $128,911 (1988 - $375,750);

(ii) accrued interest costs — $6,834,817 (1988 - $6,834,817).

(b) The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture.

3. Advances

Pursuant to Section 8(4) of the Farm Purchase Program Act the fund receives advances from the Consolidated Fund as required for the purposes of the fund, subject to prescribed terms and conditions. Following is a summary of advances received and repayments:

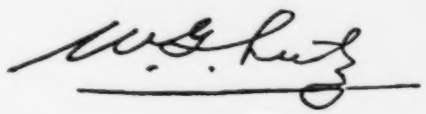
	1989	1988
Advances	$ 9,210,000	$ 8,591,000
Repayments	9,210,000	8,591,000
	$ —	$ —

Horned Cattle Fund

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of the Horned Cattle Fund as at March 31, 1989 and the statements of revenue, expenditure and operating surplus and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the fund as at March 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
July 11, 1989

W.G. Lutz, F.C.A.,
Provincial Auditor.

Horned Cattle Fund

Statement 1

Balance Sheet

Year Ended March 31, 1989
(with comparative figures at March 31, 1988)

	1989	1988
Assets		
Current:		
Cash	$114,789	$ 33,746
Marketable securities, at cost which approximates market	337,019	322,882
Accrued interest receivable	1,703	75
Inventory of cattle (Note 3)	457,594	507,145
Advance (Note 4)	64,068	30,000
	$975,173	$893,848
Liabilities and Operating Surplus		
Current Liabilities:		
Accounts payable	$ 4,488	$ 12,506
Operating surplus - Statement 2	$970,685	$881,343
	$975,173	$893,848

(See accompanying notes to the financial statements)

Horned Cattle Fund

Statement 2

Statement of Revenue, Expenditure and Operating Surplus

Year Ended March 31, 1989
(with comparative figures at March 31, 1989)

	1989	1988
Revenue		
Collections under Section 3 and 4 of the Horned Cattle Purchases Act	$213,962	$208,841
Less: Commission on collections	3,163	5,876
	210,799	202,965
Pathlow Beef Project (Note 3)	178,190	247,806
Bank and investment interest	41,350	24,839
SouthWest Forage Association	9,360	—
Total Revenue	$439,699	$475,610
Expenditure		
Grants (Schedule 1)	$119,937	$101,701
Pathlow Beef Research Project — operating costs	228,342	267,922
Department of Agriculture — The Horned Cattle Purchases Act Advisory Committee — meeting expenses	2,077	5,864
Total expenditure	$350,356	$375,487
Excess of revenue over expenditure	$ 89,343	$100,123
Operating surplus, beginning of year	881,342	781,219
Operating surplus, end of year	$970,685	$881,342

(See accompanying notes to the financial statements)

Horned Cattle Fund

Statement 3

Statement of Changes in Financial Position

Year Ended March 31, 1989
(with comparative figures for the previous year)

	1989	1988
Cash provided by operating activities:		
Excess of revenue over expenditure	$ 89,343	$100,123
Net change in non-cash working capital balances related to operations*	5,837	(18,354)
Total cash provided by operating activities	95,180	81,769
Cash position at beginning of year	356,628	274,859
Cash position at end of year	$451,808	$356,628
Cash position comprises cash and marketable securities		
* Accrued interest receivable	$ (1,628)	$ (37)
Advance	(34,068)	(30,000)
Inventory	49,551	3,262
Accounts payable	(8,018)	8,421
	$ 5,837	$(18,354)

(See accompanying notes to the financial statements)

Horned Cattle Fund

Notes to Financial Statements

Year Ended March 31, 1989

1. Accounting Policies

(a) The financial statements of the Horned Cattle Fund are prepared on an accrual basis of accounting with the following modifications:

Collections and grant payments under The Horned Cattle Purchases Act are recognized in the accounts on a cash basis. Accounts receivable of $53,522 (1988 - $37,215) and commissions payable of $803 (1988 - $558) are not included in these statements.

(b) The Fund has not been charged with any occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture.

(c) Cattle inventory is valued at approximate realizable value at the fiscal year end (Note 3).

2. Legislative Authority

Pursuant to the provisions of The Horned Cattle Purchases Amendment Act, 1983, proclaimed into force October 1, 1983, the Horned Cattle Trust Fund was continued as the Horned Cattle Fund and the assets and liabilities of the Horned Cattle Trust Fund are deemed to be the assets and liabilities of the Fund.

The purpose of this Fund is to promote research and development in the livestock industry.

3. Inventory of Cattle

In view of the difficulty which exists in assigning on a rational basis the costs of production to animals at various stages of maturity and since the correlation between costs and revenue is not nearly as close as in most businesses, the inventory of cattle held is valued at approximate realizable value at the fiscal year end. The corresponding changes in inventory from one year to the next have been described as Appreciation (decline) in value of opening herd.

Revenue from Pathlow Beef Project

	1989	1988
Cattle sales	$227,741	$251,068
Appreciation (decline) in value of opening herd	(49,551)	(3,262)
Total revenue	$178,190	$247,806

4. Advance

The Advance represents funds advanced in 1988 and 1989 to the SouthWest Forage Association to buy cattle for use in a beef-forage research project conducted by the Swift Current Research Station.

The agreement with the SouthWest Forage Association requires the Association to remit the proceeds of cattle sales to the Horned Cattle Fund.

Horned Cattle Fund

Schedule 1

Schedule of Grants

Year Ended March 31, 1989

	1989	1988
Canadian Western Agribition Association	$ 35,000	$ 35,000
University of Saskatchewan (Department of Animal and Poultry Science)	34,839	30,000
Melfort Agricultural Society	17,560	17,560
Saskatchewan Holstein-Freisen Association	4,000	8,000
Saskatchewan Livestock Association	—	5,000
Saskatchewan Junior Hereford Association	—	3,500
Alpine — Agro Ltd.	—	1,641
Saskatchewan Young Canadian Simmentalers	—	1,000
Saskatoon Prairieland Exhibition Corporation	8,000	—
Mr. F. Wilson	538	—
Maple Creek Veterinary Services District	20,000	—
	$119,937	$101,701